

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 15, 2005 LB 439

ethanol plant actually pays the warehouse or the elevator; the elevator pays the producer. In the last one on the diagram is what we're dealing with today, and that's what the dispute has kind of been since two years ago. The farmer says he wants to take his grain to the elevator for a storage position on it, and the elevator says, well, I've sold all this grain to the ethanol plant; if you'll deliver directly, I'll pay you a little more, and I will get paid from the ethanol plant, and I will give you a warehouse receipt or a storage position; we'll never transact any money. And then we...it was still...actually, I should go back a little bit. The Public Service Commission did write up the rules and regs, sent them to the Attorney General and to the Governor, and they determined that you could not do this, that we could not do this transaction. If you're going to get storage, you had to physically deposit it at that elevator, and we could not make these transactions. And it was something that really had been going on for some time, maybe a little under the radar screen. But when they tried to put it in the rules and regs, we got nowhere. So with many meetings with the industry and with the Public Service Commission, and a lot of explanations of what they wanted, the Public Service Commission, who has been great to work with, did say that they thought they could make it work, and they started writing rules and regulations. And they pretty much...their rules and regulations were exactly what the bill said. But feeling that we still needed something in statute, we introduced then the committee amendments, which are really the bill. So at this time I guess I would like to close on the bill itself and open on the committee amendments.

SENATOR CUDABACK: And you're recognized to do that as Chairman of the Ag Committee, Senator Kremer.

SENATOR KREMER: Thank you, Mr. President. As I stated, the committee amendments do become the bill, and we strike a lot of the original provisions that are in the bill. And the amendment substantially revises the bill but carries out the original intent. It's somewhat different, a simplification mechanism. As amended, the bill would essentially codify pending regulations and resolutions that overlap the grain dealers and warehouse act application and direct delivery grain intended for